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Peter



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Fillmore Field Office

95 East 500 North

Fillmore, UT 84631

<http://www.blm.gov/ut/st/en/fo/fillmore.html>



IN REPLY REFER TO:

3809 (UTW02000)

UTU-90844

RECEIVED

OCT 10 2014

October 6, 2014

DIV. OF OIL, GAS & MINING

CERTIFIED MAIL # 7012 3460 0000 6633 2506

RETURN RECEIPT REQUESTED

Robert Robison

Graymont Western U.S. Inc.

3950 South 700 East

Suite 301

Salt Lake City, Utah 84107

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43 CFR 3809 - Surface Management

Plan of Operations

Plan of Operations Incomplete

Your proposed mining Plan of Operations (Plan) for dolomite in the Cricket Mountains, Millard County, Utah was received by the Fillmore Field Office (FFO) of the Bureau of Land Management (BLM) on September 8, 2014. Your proposed Plan is located in sections 1, 11, and 12, Township 22 South, Range 10 West; and Sections 1, 11, and 12, Township 22 South, Range 10 West; Salt Lake Meridian. The proposed Plan has been assigned BLM case file number UTU-90844. Please refer to this number in future correspondence. The corresponding Utah Division of Oil, Gas and Mining (UDOGM) case file number is M/027/0006.

Based on our initial review of your filing, we have determined your Plan contains most elements required for completeness, but it does not contain all information items required by the BLM surface management regulations described in the Code of Federal Regulations (CFR) at 43 CFR §3809.401(b). The following information must be provided in order for your Plan to be complete:

1. Appendix D, Reclamation Cost Estimate – The submitted Reclamation Cost Estimate is excellent and detailed work, but it does not distinguish between Federal and non-Federal lands. UDOGM regulates mining on Private, State, and Federal land, but the BLM regulates only BLM lands and has no jurisdiction on non-Federal lands. Therefore, to evaluate the adequacy of the Reclamation Cost Estimate, reclamation costs for all project land areas and facilities must be broken down into the categories of BLM and non-BLM.

This subdivision requirement is applicable throughout the document. Table 3-1, on page 4, is a good example of what is required more generally for the reclamation cost estimate and for all project facilities and features. Please provide separate reclamation cost

estimates and acreages for facilities and disturbances on Federal land.

2. Cover and Title Page – The correct BLM case file number for the Cricket Mountain Mine Plan of Operations is UTU-90844, which is a new case file number. The listed BLM case file number, UTU-70556, is for a case file which was closed by the BLM on January 20, 2000. No previous BLM case file number existed for this proposed mine expansion because the previous mining area, permitted by UDOGM, involved no BLM land. This expansion of mining activity will now include Federal lands managed by the BLM.
3. Section 2.1, Applicant Information, page 2 – As specified in 43 CFR §3809.401(b)(1), Operator Information, the submitted information must include a Taxpayer Identification Number for the individual or corporation. This information is protected by the Privacy Act of 1974 and will be marked 'Confidential.' It may be submitted separately, and will not be included in copies of the Plan available to the public.
4. Section 3.4.5, Exploration, page 8 – In the second line of the third paragraph, the State agency is listed as 'NDEP-BMRR', which is a State of Nevada agency. The corresponding agency in Utah is the Utah Division of Oil, Gas, and Mining (UDOGM). This is, of course, a minor typographic error.

Exploration drill holes and trenches on BLM-managed land will require prior approval, typically through an amendment to the Plan of Operations. If exact locations are not known at this time, please state that they will be provided prior to drilling or excavation.

5. Section 3.4.9, Blasting, page 9 – No blasting plan or explosives management plan has been included with the Plan of Operations document. Notification to the BLM is required for the use of explosives on Federal land. Copies of documents submitted to UDOGM, Millard County, and the Federal Bureau of Alcohol, Tobacco, and Firearms (ATF) are likely to be sufficient when submitted to the BLM, also.
6. Figure 8, Dolomite Quarries, Figures – The South Dolomite Quarry is shown as a "Facility Not To Be Reclaimed." Table 3-1, on page 4, indicates that this facility will encompass 148 acres of Federal land. On page 21, it is stated that the South Dolomite Quarry will not be backfilled and that the quarry slope and benches will remain at the mine slope of 45 degrees.

Please explain, in greater detail, the post-mining land use and post-mining mitigation measures to protect public safety and water quality in connection with these excavated 148 acres of Federal public land. On page 14, in Section 4.4, Groundwater, it is stated that project drilling has not encountered groundwater at 100 feet bgs and 220 feet bgs. On page 18, in Section 5.4, Surface and Groundwater Resources, it is stated that actual groundwater depth has not been measured, but is believed to be approximately 50 feet below the floors of the North and South Dolomite Pits.

Figure 7 appears to indicate that the South Dolomite Quarry will extend to a maximum depth of at least 200 feet and may have a higher cone of depression on the western end due to topography. Please discuss whether any measures will be necessary to prevent formation of a stagnant pit lake in the South Dolomite Quarry after mining.

Abandonment of substantial open pit quarry areas on public land may be permissible if necessary under certain circumstances if appropriate mitigation measures accompany the abandonment. However, as stated in 43 CFR §3809.415, you are required to prevent "unnecessary and undue degradation" while conducting operations on public lands. To meet this requirement, you must comply with the specifications of 43 CFR §3809.420 and all applicable State and Federal regulations.

Please explain the reasons for abandonment of the South Dolomite Quarry and the measures you will employ to prevent "unnecessary and undue degradation" of the public lands after cessation of mining. Proposed post-mining land uses for all features, including quarries, would be highly desirable.

7. Interim Management Plan – As specified under 43 CFR §3809.401(b)(5), 'Interim Management Plan,' you must provide a detailed plan to manage the project area during any periods of temporary closure, including any periods of seasonal closure. In Section 3.4.1, Quarries, page 6, it is stated that the quarry will operate 24 hours per day, seven days per week. However, in the event that quarries or other facilities are idle due to economic downturns or other factors, please provide a basic interim management plan.

On page 23, Section 6.9, Safety and Site Control - one detail to mention in the Plan, as part of safety and site control, would be the locations and wording of warning signs at the site to notify the public of the hazards from an active mining operation. Please note that the language of warning signs will require prior approval of the BLM before placement on Federal public lands.

It would also be advisable to mention in writing that no fuels or lubricants will be left unattended or overnight at the site and that all equipment will be removed from the site when you are not in operation. Equipment may be parked long-term on BLM land with prior permission, but such parking requires 43 CFR §3715 concurrence.

The interim management plan should include:

- a. Measures to stabilize excavations and workings;
- b. Provisions for the storage or removal of equipment, supplies, and structures;
- c. Measures to maintain the project area in a safe and clean condition;
- d. Plans for monitoring site conditions during periods of non-operation, such as bi-weekly or monthly site visits by the operator; and
- e. A schedule of anticipated periods of temporary closure during which you would implement the interim management plan, including provisions for notifying BLM of unplanned or extended temporary closures.

8. Operating Plan – The surface disturbance area on BLM land may not be relocated, or expanded, without prior approval from the BLM. The 'Reclamation Plan' box in the submitted document states that you will update the surface disturbance map as the area of disturbance changes, and the 'Operating Plan' box states that reclamation will be performed annually on surface disturbances over two acres.

No changes may be made is surface disturbance area locations and extents without prior approval and submission of an adequate reclamation bond. Large areas, and more extensive workings, may be approved, but they must be approved in advance and an adequate bond must be accepted by the BLM and UDOGM before expanded or modified operations may begin.

9. Section 6, Reclamation and Closure Plan, pages 20-25 – as specified in 43 CFR §3809.401(b)(3), you have included a general description of reclamation methods. However, the reclamation plan must also include these items:

- a. Consideration of the performance standards required in 43 CFR § 3809.420. By addressing these standards, the operator is allowed some flexibility to explain variations from commonly required actions, such as complete revegetation of surface disturbance areas with a mature community of 'desirable' species.

For example, in 43 CFR § 3809.420(3)(iii)(A), it is stated that reclamation shall include, but not be limited to, saving of topsoil for final application after reshaping of disturbed areas have been completed. Topsoil placement and revegetation may be stated in the Plan as limited to disturbed areas outside of the open pits.

As another example, it could be stated in the Plan of Operations that the open pits will remain open after mining concludes, but slopes will be reduced to 3:1 or less, and ramps will remain so that recreationists, livestock, and wildlife may more easily leave the open pits;

- b. As required under 43 CFR §3809.401(b)(3)(iii), a description of the equipment, devices, or practices which you propose to use for regrading and reshaping of the open pits, stockpiles, and waste rock piles;
- c. Describe methods by which growth medium (*e.g.*, soil) will be conserved and applied to surface disturbances upon closure.
- d. Section 6.6, Revegetation, page 22 – Seed mixtures and quantities for the Federal lands must be approved by the BLM range management staff prior to use. Quantities for broadcast seeding are typically double the amounts for drill seeding.

Please describe, in greater detail, the methods by which re-vegetation efforts will be completed and by which you will comply with both Federal and State regulations. Please specify if you plan to drill-seed or broadcast-seed the Federal

surface disturbance areas after use ends.

10. Occupancy – As described in 43 CFR §3715.1, the placement, construction, or maintenance of all enclosures, gates, fences, or signs requires concurrence of BLM. Please describe the locations and characteristics of the planned warning signs and any other site security measures, such as fences, which may be under consideration. Locations, lengths, and types of berms and fences will require prior approval of the BLM before placement.

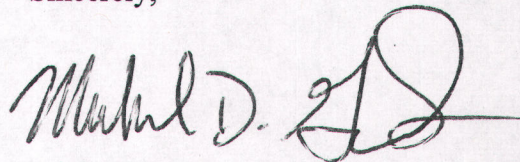
The language of all signs also requires approval of the BLM. It is suggested that all public notification and warning signs include the BLM and UDOGM permit numbers.

Until a complete Plan with the additional information is filed with this office, BLM is unable to determine if your proposed operations will result in unnecessary or undue degradation as defined under 43 CFR §3809.5. In addition, we are unable to make a determination as to our agreement with the amount of required financial guarantee.

Please submit the required information at your earliest convenience. Until we receive this information, your Plan cannot be fully processed and mining activity on Federal land is not to take place.

If you have any questions, please contact Duane Bays, BLM-FFO Natural Resource Specialist, at (435) 743-3115.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael D. Gates", followed by a large, stylized flourish or scribble.

Michael D. Gates
Field Manager

cc:

Paul Baker
UDOGM
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Salt Lake City, UT 84114

Opie Abeyta (UT-923)
Utah State Office/ BLM
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